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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

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GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

20th December 1878, No. 2296.

Local and Special Funds.

Read again—

G.O., dated 13th December 1878, No. 2208.

Read Resolution from the Government of India, dated 26th October 1878, No. 3667,
(G.O., dated 15th November 1878, No. 2017).*

Read also the following papers:—

No. 195. *From L. C. PROBYN, Esq., Accountant-General, Madras, to the Acting
Chief Secretary to Government, dated Fort St. George, 22nd October 1878,
No. 5932.*

Book Department.

I have the honor to invite attention to the correspondence ending with this office, No. 71-N, dated the 2nd ultimo, and as it is understood that the reference made to the Government of India referred to in G.O., No. 1294, dated the 26th of July last, has now been disposed of, beg to suggest that early orders may be issued on the subject.

2. I respectfully suggest that the present opportunity be taken of issuing such orders as shall prevent the term Local Funds being used in correspondence and orders in this Presidency otherwise than as it is used by the authority of the Government of India; Section 1 (b) of the Pension Code, reproduced, I may remark, in Chapter 19 of the new Account Code, gives the following definition of Local Funds:—When revenue derived from special sources is devoted to specified objects, and not to the general purposes of the Administration, whether Imperial or Provincial, the revenue so devoted from a Local Fund. In this Presidency, however, (although in returns rendered by my own office to Government of India and Comptroller-General it has the extended signification accorded to it by the Government of India and the Pension Code), the term Local Fund is generally considered to refer exclusively to Local Funds under Act IV of 1871. Considerable confusion constantly arises from the use of the term in its double meaning, and I understand on one occasion it led to some misunderstanding on the part of the Government of India of the views expressed by this Government. In my own office I have now arranged that the Local Fund under the Act should invariably be designated Local Fund Act IV of 1871, and this designation has been adopted in the printed Budgets and Accounts. I would suggest, unless any more suitable arrangement can be made to avoid confusion, that general instructions be issued for the adoption of this course in this Presidency.

3. Using, then, the term Local Fund in its extended signification, it appears to me that under the orders of the Government of India the Local Funds of this Presidency should now be divided into the following classes, of which the first three only will permanently remain:—

- No. 1072, dated February 20th, 1878.
" 2098, " March 29th, "
- A.—Those which are not to be incorporated in the General Account.
B.—Those which are to be incorporated in the General Accounts but which are practically at the unfettered disposal of the Government for expenditure in any part of the Presidency.

- C.—Those which are to be incorporated in the General Accounts but which are not at the unfettered disposal of the Government for expenditure in any part of the Presidency.
 D.—Existing Local Funds, the balances and transactions of which may, with convenience and propriety, be amalgamated under one or other of the funds classified as B and C.
 E.—Existing Local Funds, the balances and transactions of which may, with convenience and propriety, be amalgamated with Provincial Services.
 F.—Funds which are now in process of absorption.

4. His Grace in Council will observe that the balance of funds, which it may be determined to class as B, will go to swell the available balance under the VIIIth Provincial Rule, and that it will be, for the interest of the Provincial finances, to include as many funds in this category as possible, consistent with the provisions of the law.

5. I annex a list of the different Local Funds now on my books showing the particular class referred to in paragraph 3, under which, as I understand the wishes of the Government, each should be classified.

- A.—
 Endowment Fund.
 Port Fund.
 Educational Building Fund.
 B.—
 Pound Fund.
 C.—
 Village Service Fund.
 Canal and Ferry Fund.
 Irrigation Cess Fund.
 Cochrane's and Sadras Canal Fund.
 Police Lodging Fund.
 Local Fund Act IV of 1871.
 Jungle Conservancy Fund.
 D.—
 Bungalow Fee Fund.
 Bearers' Fee Fund.
 District Road Fund, Badrachala and Rakapally.
 E.—
 Convict Labor Fund.
 School Fee Fund.
 Labor Contract Fee Fund.
 F.—
 Nanal Grass Fund.
 District Road Fund.

(Signed) L. C. PROBYN,
 Accountant-General.

No. 196. From L. C. PROBYN, Esq., Accountant-General, Madras, to the Acting Chief Secretary to Government, dated Fort St. George, 19th November 1878, No. 6363.

Book Department.

With reference to Proceedings of the Government of India, Financial Department, No. 3667, dated the 26th ultimo, I have the honor, in accordance with paragraphs 17 to 21, to submit the following observations for the consideration and orders of Government in continuation of my letter, No. 5932, of the 22nd idem.

2. The funds which I have already classed A as well as Cantonment Funds and Municipal Funds, clearly come under the head Excluded Funds.

3. The Cattle Pound Fund, it appears to me, should clearly come under Account II. The Tolls Fund, alluded to in paragraph 19 of the orders of the Government of India, is probably the Pound Fund.

4. Of the Funds classed C, the following clearly come under Account III:—

Village Service Fund,
 Local Fund under Act IV of 1871,
 Canal and Ferry Fund,
 Cochrane's and Sadras Canal Fund,
 Jungle Conservancy Fund,

but from the instructions contained in the concluding sentence of paragraph 17 of the orders of the Government of India, the remaining two funds would come under Account II, and not under Account III.

5. The funds classed D, E, and F, might be disposed of as suggested in my letter above alluded to. Until the absorption of the funds classed F, they may be taken as Excluded Funds.

6. In regard to any funds that may be brought into Account II, it is for His Grace the Governor in Council to determine, under paragraph 17 of the Government of India orders if any, and if so, what separate account is necessary. The School Fee Fund the Government have determined should be included with Provincial Service, *vile* G.O., No. 1978, dated 1st November 1878, Financial Department, and I apprehend that no separate account will be required for it.

7. As some Special Funds will come under Account II, others under Account III, and some will be excluded, it seems most desirable to alter that designation and to have simply—

Account II—Provincial Local Funds;
 „ III—Incorporated Local Funds, including
 Local Fund under Act IV of 1871.

I would solicit the attention of Government to paragraph 9 of the Government of India Orders, in accordance with which transactions, appertaining to Local Funds under Act IV of 1871 must be recorded under the heads in use for the Imperial Accounts only, and not in accord with the heads given in the form prescribed by Government in their Order, No. 755, dated 7th December 1871, Financial Department.

No. 197. ORDER THEREON, 20th December 1878, No. 2296.

In the Order read at the head of these Proceedings His Grace the Governor in Council has set forth the position of Government in relation to the demands of the State upon Local and Special Funds for contributions towards famine expenditure. He now proceeds to deal with the matter of the inclusion of Local and Special Funds in the Provincial accounts.

2. His Grace in Council observes that the Resolution of the Government of India, dated 26th October 1878, No. 3667, above read, received whilst their letter of the 25th September 1878, No. 3145 (recorded in G.O., dated 15th December 1878, No. 2208), was under consideration, determines many questions which the Resolution of the 29th March 1878, No. 2098, left unsettled. In the Proceedings of this Government, dated 23rd July 1878, No. 1289, His Grace in Council observed that he would not object to the inclusion even of funds which were not at the unfettered disposal of the Government in the Provincial accounts on the ground that the bringing of such funds within the range of provincial check and audit would probably ensure a more careful and judicious expenditure of some of the moneys concerned, although possibly the inclusion of funds not specially protected by law might tend towards indiscriminate appropriation. He is, therefore, glad to find that in the Resolution of the 26th October a classification of funds is enjoined and a system of accounts adopted, which His Grace in Council trusts may in operation prevent any possible misappropriation or confusion.

3. In accordance with the provisions of paragraph 21 of this Resolution, the Accountant-General has submitted certain proposals in regard to the classification of

the Local and Special Funds of this Presidency. His Grace in Council proceeds therefore, after noting the funds which, under the Resolution of 29th March 1878, No. 2098, and paragraph 22 of that now under consideration, will be deemed *excluded* funds, to determine which of the remaining funds shall be held to be at the "unfettered" disposal of Government for Provincial uses, and also which shall be held to be not at its free disposal, but restricted by law or equitable custom to special or local purposes.

4. The following are the funds arranged under the above heads:—

(1.) *Excluded Funds*—

Municipal Funds.
Port Fund.
Endowment Fund.
Educational Building Fund.
Nanal Grass Fund.
(Old) District Road Fund.

(2.) Funds at the *unfettered* disposal of the Government for Provincial uses falling under Account II, prescribed in paragraph 8 of the Resolution (26th October)—

Cattle Pound Funds.
School Fee Fund.
Labor Contract Fee Fund.

(3.) Funds *not at the unfettered* disposal of Government falling under Account III—

Local Funds (Act IV of 1871).
Jungle Conservancy Fund.
Canal and Ferry Fund.
Cochrane's Canal Fund.
Village Service Fund.
Irrigation Cess Fund.
Police Lodging Fund.
Bungalow Fee Fund.
Bearers' Fee Fund.
Bhadrachalam and Rakapally District Road Fund.
Customs Act Fund.

5. The Governor in Council does not agree with the Accountant-General that the Irrigation Cess Fund and the Police Lodging Fund fall within the provisions of the latter portion of paragraph 17 of the Resolution of the Government of India. To all intents they are restricted to "particular districts or localities." Special orders as to the class under which the Convict Labor Fund should appear will be passed shortly.

6. As regards the "unfettered" funds, His Grace the Governor in Council, under paragraph 17 of the Resolution, especially directs the Accountant-General to maintain a separate account of the transactions of the Pound and Surplus Pound Funds. The proceeds of the latter fund will be reserved strictly to the objects specified in paragraphs 4, 5, 6, 7, and 8 of the Order in the Revenue Department, dated 21st August 1877, No. 2566, and for the agricultural scheme under contemplation, the distribution between Local and Municipal and the Government Farm being continued in accordance with G.O., 9th May 1873, No. 614, Financial Department. Should there be any surplus after providing for the object specified, the Government will, from time to time, decide whether it shall be devoted to any other Provincial object not at variance with the provisions of the Cattle Trespas Act.

7. With reference to the Accountant-General's remarks regarding the School Fee Fund, the Governor in Council agrees that it will not be necessary to maintain any separate account of this fund, which virtually has ceased to exist. The instructions contained in the Accountant-General's letter of 11th December 1878, No. 6797, are approved.

8. His Grace in Council agrees to the adoption of the forms in use in the Imperial accounts for the Local Funds under Act IV of 1871 as noted by the Accountant-General, but he remarks that, under paragraph 9 of the Resolution, all funds are to be treated in the same way and not Local Funds (Act IV of 1871) only. The Accountant-General will, in communication with the Board of Revenue, submit as soon as practicable proposals for carrying out the instructions of the Government of India.

9. His Grace in Council is not clear as to the effect of the instructions contained in paragraph 24 regarding the adjustments of deficits in any Local Fund. The Accountant-General will report thereon. Meanwhile no such adjustments will be made without the special sanction of the Governor in Council. The Accountant-General will also inform Government of the precise financial position of each fund above detailed.

10. The rearrangements of these funds will probably disturb considerably the Provincial Budget as recast by the Government of India; but as the corresponding expenditure has been distributed under the several Provincial heads, and in the absence of the detailed Budget Estimate of Provincial and Local Funds, His Grace in Council is unable to state how far the rearrangement will affect the Provincial Budget for 1879-80. The Accountant-General will therefore report on the matter.

11. In future all the funds above referred to will be styled in the accounts local, *excluded*, *unfettered*, and *fettered*, as the case may be. The term "special" will be discontinued in future.

(True Extract.)

H. B. Pugh
Acting Under Secretary.

To the Revenue Department.

" Board of Revenue.
" Public Works Department.
" Accountant-General.
" Director of Public Instruction.

Rev. / Pamine / Sept.

Ead. F. R. Bantleman and J. W. Fischer.

Revenue Receipt

C/05598.

Ans & Co. 871 Broadway 179 No 149

THE REVENUE DEPARTMENT,

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Paul D. Dodgell, Secy.

Lot

Vol. 20 Dec 11.

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G.O. 304 January 1878, No. 2286.

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• REC. 110-107

Do not send Special Funds.—Order paid for
five to the collection of these funds in the future
and forward.

• 1849

Dodgell

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